PARTNERSHIP Accounts

Dr Profit & Loss Appropriation A/c Cr

Particulars	Amount	Particulars	Amount
To Interest on capital:-		By Net profit b/d	xxx
A:- xxx		By Interest on Drawing:-	
B:- xxx		A:- xxx xxx	
C:- xxx		B:- xxx xxx	
	xxx	C:- xxx xxx	
To partners Salary:-			xxx
A:- xxx			
B:- xxx			
C xxx			
	xxx		
To partners commission:-			
A:- xxx			
B:- xxx			
C:- xxx			
	xxx		
To Transfer To general Reserve	xxx		
To Transfere to other Reserve (If Any)	xxx		
To Income Tax	xxx		
To Share of Net profit (Balancing figure Shared)			
A:- xxx			
B:- xxx			
C:- xxx	xxx		
	xxxx		xxx

(Fluctuating Capital Method)

A's Capital A/c

Particulars	Amount	Particulars	Amount
To A's Drawings	xxx	By Balance b/d	xxx
To Interest on A's Drawings	xxx	By Interest on Capital	xxx
To Capital withdrawn By A		By A's Salary	xxx
To A's Share of Net Loss (if Any)	xxx	By A's commission	xxx
To Balance c/d		By Additional Capital Brought in	xxx
		By A's Share of Net Profit	xxx
	xxx		xxx
		By Balance b/d	xxx

DY Profit & Loss Appropriation A/c Cr

Particulars	Amount	Particulars	Amount
To Interest on partners Capital :-		By Net profit b/d	10,000
A :- 20,000 × 5% = 1000			
B :- 15,000 × 5% = 750			
	1750		
To Manager's commission (10,000 × 10%)	1000		
To profit Shared :-			
A :- 3/5 4350			
B :- 2/5 2900	7250		
	10,000		10,000

DY (a) The Revaluing method A's Capital A/c Cr

To Drawings A/c	1500	By Balance b/d	20,000
To Balance c/d	23850	By Interest on Capital	1000
		By Share of profit	4350
	25350		25350
		By Balance b/d	23850

DY B's Capital A/c Cr

To Drawings A/c	2500	By Balance b/d	15000
To Balance c/d	19750	By Interest on capital	750
		By Share of profit	2900
		By B's Salary	3600
	22250		22,25
		By Balance b/d	19750

2/E-29 Profit Sharing Ratio = Capital Ratio

= A : B : C
= 80,000 : 60,000 : 40,000
= 4 : 3 : 2 ⟶ (9)
= 4/9 : 3/9 : 2/9

Dr Profit & Loss Appropriation A/c Cr

Particulars	Amount	Particulars	Amount
To Interest on Capital:		By Net profit b/d	30,096
A:- 80,000 × 5·1 = 4000		By Interest on Drawing	
B:- 60,000 × 5·1 = 3000		A:- (10,000 - 6000 = 4000	
C:- 40,000 × 5·1 = 2000		4000 × 5·1 = 240	
To profit Shared :-	9000	B:- (18,000 - 5000 = 7000	
A:- 21,816 × 4/9 = 9696		C:- 7000 × 6·1 = 420	
B:- 21,816 × 3/9 = 7272		(5000 - 4000 = 1000	
C:- 21,816 × 2/9 = 4848		1000 × 6·1 = 60	720
	21,816		
	30,816		30,816

Dr A's Capital A/c Cr

Particulars	Amount	Particulars	Amount
To Balance c/d	80,000	By Balance b/d	80,000
		By Balance b/d	80,000

Dr B's Capital A/c Cr

Particulars	Amount	Particulars	Amount
To Balance c/d	60,000	By Balance b/d	60,000
		By Balance c/d	60,000

Dr C's Capital A/c Cr

Particulars	Amount	Particulars	Amount
To Balance c/d	40,000	By Balance b/d	40,000
		By Balance b/d	40,000

A's current A/c

Particulars	Amount	Particulars	Amount
To Drawings A/c	10,000	By Balance b/d	2,304
To Interest on Drawings	240	By Interest on Capital	4000
To Balance c/d	5760	By Share of profit	9696
	16000		16000
		By Balance b/d	5760

B's current A/c

To Drawings A/c	12000	By Balance b/d	3,728
To Interest on Drawings	420	By Interest on Capital	3000
To Balance c/d	1580	By Share of profit	7272
	14000		14000

C's current A/c

To Drawings A/c	5000	By Balance b/d	1,152
To Interest on Drawing	60	By Interest on Capital	2000
To Balance c/d	2,940	By Share of profit	4848
	8000		8000

Trading & profit & Loss A/c of M/S Bal & Pal

Dr For the year Ended 30-7-2005 Cr

Particulars	Amount	Particulars	Amount
To opening Stock	25,600	By Sales 4,11,200	
To purchases 3,04,000		less: Return 12800	
less Returns 14400			
	289600	By closing stock	398400
To Carriage Inwards	8000		28,800
To Gross profit c/d	104000		
	427200		427200
Salaries 14,400		By Gross profit b/d	1,04,000
Add outstanding 200		By R.B.D	1,120
Carriage outwards	15600	By Discount	4480
Discount Allowed	2000		
Insurance 4000	5600		
less: prepaid 800			
Rates 6400	3200		
less: prepaid 1600			
~~Interest on capital (Bal)~~	4800		
~~Interest on Capital (pal)~~	4000		
To Depon plant & Machine	~~3200~~ 2880		
To New R.B.D	2400		
To Net profit ~~transferred to capital A/c~~ c/d	73120		
	109600		109600

Dr Profit & Loss Appropriation A/c Cr

To Interest on Capital		By Net profit b/d	73120
Bal :- 4000			
B Pal :- 3200			
	7200		
To Net profit shared	65920		
A Bal 1/2 32960			
B Pal 1/2 32960			
	73120		73120

Balance Sheet of Mr Bal & Pal
as on 30-7-2005

Liabilities		Amount	Asset		Amount
Capital (Bal)	80,000		plant & Machinery	28800	
Add net profit	32960		less: Dep	2880	
Add Interest on capital	4000		Leasehold premises		25920
	1,16,960		prepaid Insurance		96000
less drawings	19200		prepaid Rates		800
Capital of Pal	64000	97760	Debtors	28000	1600
Add net profit	32960		less: R.B.D	2400	
Add Interest	3200		Closing Stock		25600
	100160		Balance at Bank		28800
less drawings	22400				30,000
Trade creditors		77760			
Out standing Salaries		32000			
		1200			
		2,08,720			2,08,720

P/E-31 Trading & profit & Loss A/c of M/s Ramdev & Namdev
Dr For the Year Ended 31-3-2006 Cr

particulars	Amount	particulars	Amount
To opening Stock	30,000	By Sales 1,15,500	
To purchases 55,000		less Returns 1200	
less Returns 1000			
To Wages 16000	54000	By closing Stock	114300
Add outstanding 1200			45000
To Carriage	17200		
To Gross profit	400		
	57,700		
	159300		
To Salaries 12000			159300
Add outstanding 500		By Gross profit b/d	57,700
To Insurance	12500		
To commission	350		
To Rent & Taxes	850		
To Discount	5,500		
To Trade Exp	200		
To Bad debts	600		
To Sundry Exp	250		
To Dep on plant	1800		
To R.B.D	2500		
To Net profit c/d	2250		
	30900		
	57700		57,700

Dr Profit & Loss Appropriation A/c Cr

To Interest on Capital		By Net profit b/d	30900
A. Ramdev :- 3600			
Namdev :- 2400			
To Namdev Salary	6000		
To Share of profit	7200		
Ramdev 8850	17700		
Namdev 8850	30900		30900

Balance Sheet of M/s Nandeu & Nandeu as on 31-3-2006

Particulars	Amount	Particulars	Amount
Nandeu's Capital		Debtors 45000	
60,000		less R.D 2250	
Add Net profit 8850			42750
Add Interest on Capital 3600		Plant & machinery 50000	
72450		less Dep 2500	
less Drawings 12000			47500
		Fixtures & fittings	10,000
Nandeu's Capital 40,000	60450	Bills Receivable	10,000
Add Net profit 8850		closing stock	45000
Add Interest 2400		Cash at Bank	10,000
Add Salary 2200		Cash in Hand	350
53450			
less Drawings 10,000	48450		
Sundry Creditor	45000		
Bills payable	10,000		
out Standing Salaries	500		
out Standing wages	1200		
~~Nandeu Salary~~	~~1200~~		
	1,65,600		1,65,600

B/E.32 Trading & profit & Loss A/c of M/s Arjun & Bhim (Manufacturing) Ramdev Namdev
DY for the year Ended 31-3-2006 U

Particulars	Amount	Particulars	Amount
To opening Stock	30,000	By Sales 1,15,000	
To purchases 55,000		Less Returns 1200	114300
Less Returns 1000		By closing stock	43800
	54000		45000
To wages 16000			
Add outstanding 1200	17200		
	46500		
To Carriage	400		
To Gross profit c/d	57700		
	158800		
	159300		158,800
			159,300
To Salaries 12000		By Net profit c/d	57700
Add: outstanding 500			
	12500		
To Insurance	350		
To commission	850		
To Rent & Taxes	5500		
To Discount	200		
To Trade Exp	600		
To Bad debt	250		
To Sundry Exp	1800		
To Depon plant	2500		
To R.B.D	2250		
To Net profit c/d	30900		
	57700		57700

DY Profit & Loss Appropriation A/c U

Interest on capital :-		By Net profit b/d	30900
Ramdev :- 3600			
Namdev :- 2400			
	6000		
Namdev's Salary	7200		
share of profit Ramdev :- 8850	17700		
Namdev :- 8850	30900		30900

Balance Sheet of M/s ~~Arjun & Bhim~~ Ramdev & Nanday as on 31-3-2006

Amount	Liabilities		Amount	Assets		Amount
	Ramdev			Debtors	45000	
114300	Capital	60,000		less R.B.D	2250	
43800	Add Net profit	8850		Plant & Machinery	50,000	42750
45000	Add Interest on Capital	3600		less Dep	2500	
		72450		Fixtures & Fittings		47500
	less Drawings	12,000		Bills Receivable		10,000
	Nanday		60450	Closing Stock		10,000
156,800	Capital	40,000		Cash at Bank		45000
159.300	Add Net profit	8850		Cash in Hand		10,000
57700	Add Interest	2400				350
	Add Salary	7200				
		58450				
	less Drawing	10,000	48450			
	Sundry creditors		45000			
	Bills Payable		10,000			
	outstanding wages		1200			
	outstanding Salaries		500			
			165600			165600
7700		14:30				
u						
30900						
0900						

Sl. No. Trading & Profit & Loss A/c of Ramdev & Nanda for the year ended 31-3-2018

Particulars	Amount	Particulars	Amount
To Opening Stock	30,000	By Sales 1,15,500	
To Purchases 55000		Less Returns 1200	
Less Returns 1000			114300
To Wages 16000	54000	By Closing Stock	45000
Add outstanding 1200			
To Carriage	17200		
To Gross profit c/d	409		
	57700		
	159300		159300
To Salaries 12000		By Gross profit b/d	57700
Add outstanding 500			
To Insurance	12500		
To Commission	350		
To Rent & Taxes	850		
To Discount	5500		
To Trade Exp	200		
To Bad debts	600		
To Sundry Exp	250		
To Depn plant	1800		
To R.B.D	2500		
To Net profit c/d	2250		
	30900		
	57700		57700

Or

Profit & Loss Appropriation A/c

To Interest on Capital :-		By Net profit b/d	30900
Ramdev :- 3600			
Nanda :- 2400			
To Nanda Salary	6000		
To Shares of profit	7200		
Ramdev :- 8850	17700		
Nanda :- 8850	30900		

Balance Sheet of Nanda & Nanda as on 31-3-2006

Liabilities	Amount	Asset	Amount
Nanda		Debtors 45000	
Capital 60,000		less R.D 2250	
Add Net profit 8450			42750
Add Interest on capital 3600		Plant & Machinery 50,000	
72450		less Dep 2500	
less Drawings 12000			47500
		Fixtures & Fittings	10,000
		Bills Receivable	10,000
Nanda	60450	Closing Stock	45000
Capital 40,000		Cash at Bank	10,000
Add Net profit 8850		Cash in Hand	350
Add Interest 2400			
Add Salary 7200			
58450			
less Drawing 10,000			
	48450		
Sundry creditors	45000		
Bills payable	10,000		
Out Standing wages	1200		
Out Standing Salaries	500		
	165600		165600

9:30

Trading & profit & Loss A/c of Ramdev & Nanda

Dr — For the year ended 31-3-2006 — Cr

Particulars	Amount	Particulars	Amount
To Opening Stock	30,000	By Sales 1,15,500	
To Purchases 55,000		Less Returns 1200	
Less Returns 1000			114300
	54000	By closing stock	45000
To Wages 16000			
Add outstanging 1200			
To Carriage	17200		
To Gross profit c/d	400		
	57700		
	159300		159300
To Salaries 12000		By Gross profit b/d	57700
Add outstanding 500			
	12500		
To Insurance	350		
To Cattle Commission	850		
To Rent & Taxes	5500		
To Discount	200		
To Trade Exp	600		
To Bad Debts	250		
To Sundry Exp	1800		
To Dep on plant	2500		
To R.B.D	2250		
To Net profit c/d	30900		
	57700		57700

Profit & Loss Appropriation A/c

Dr — Cr

To Interest on Capital		By Net profit b/d	30900
Ramdev :- 3600			
Nanda :- 2400			
	6000		
To Nanda's Salary	7200		
To Share of profit :-			
Ramdev :- 8850	17700		
Nanda :- 8850			
	30900		30900

Balance Sheet of M/s Nandev & Nandev as on 31-3-2006

Liabilities		Amount	Asset		Amount
Nandev			Sundry Debtors	45000	
Capital	69000		Less: B.D.D	2250	
Add Net profit	8850				42750
Add Interest on Capital	3600		Plant & machinery	50,000	
	72450		Less: Dep	2500	
Less Drawing	12000				47500
Nandev		60450	Fixtures & fittings		10,000
Capital	40,000		Bills Receivable		10,000
Add Net profit	8850		Closing Stock		45000
Add Interest on Capital	2400		Cash at Bank		10,000
Add Salary	7200		Cash in Hand		350
	58450				
Less Drawing	10,000				
		48450			
Sundry creditors		45000			
Bills Payable		10,000			
Out Standing wages		1200			
Out Standing Salaries		500			
		165600			165600

8:54

Ex-32 Trading & profit & loss A/c of M/s Arjun & Bhim
Dr For the Year Ended 30-6-2005 Cr

particulars	Amount		particulars	Amount
To Opening Stock:			By Sales 1,43,035	
Raw material 8,995			Less: Returns 800	
Finished Good 10,000			By closing Stock	142235
To purchases 80155	18995		Raw material 13000	
less Returns 1070			Finished Good 23000	
To Wages 25785	79085			36000
Add outstanding 800				
To Manufacturing Exp	26585			
	1175			
To Gross profit c/d	52395			
	178235			178235
Salaries 4,965			By Gross profit b/d	52395
Add outstanding 1000			Discount	200
Interest	5965		R.B.D	625
Advertising	1060			
General charges	1075			
Taxes & Insurance	2,670			
Repairs	1,235			
Donation	1,245			
Bad debts	500			
To Dep on plant	555			
To Dep on Buildings	3210			
To Dep on Furniture	1844			
To R.B.D.	100			
To Net profit c/d	1000			
	32763			
	53220			53220

Profit & Loss Appropriation A/c

Particulars	Amount	Particulars	Amount
To Interest on Capital		By Net profit b/d	32762
Arjun :- 2400			
Bhim :- 1800			
To Share of profit :-	4200		
Arjun :- 19041			
Bhim :- 9520	28562		
	32762		32762

Balance Sheet of Arjun & Bhim as on 30-6-2005

Liabilities		Amount	Asset		Amount
Arjun :			Plant	32100	
Capital	40,000		less Dep	3210	
Add Net profit	19041				28890
Add Interest	2400		Buildings	36870	
	61441		less Dep	1848	
less :- Drawings	2125				35022
			Furniture	1000	
Bhim		59316	less Dep	100	
Capital	30,000				900
Add Net profit	9520		Debtor	15710	
Add Interest	1800		less	1000	
	41320				14710
less Drawings	1500		Closing Stock		
			Raw material	13000	
Sundry creditors		39820	Finished Good	23000	
Loan on Mortgage		4300			36000
outstanding wages		21250	Cash at Bank		5680
outstanding Salaries		900	Cash in Hand		815
		1000	Bills Receivable		4465
		126486			126486

Trading & Profit & Loss A/c of M/s Mangal & Ketu

AV

for the Year Ended 31-12-2005

particulars	Amount	particulars	Amount
To opening Stock	50,000	By Sales	3,75,000
To purchases	80,000	By closing Stock	75,000
To Wages 16,000			
Add outstanding 5000			
To Carriage Inwards	21,000		
To Gross profit c/d	800		
	2,98,200		
	4,50,000		4,50,000
To Salaries 12,000		By Gross profit b/d	2,98,200
Add outstanding 3000		By Discount	1,250
To Discount	15,000		
To Carriage outward	750		
To Dep on plant	1,200		
To Dep on furniture	7,500		
To R.B.D	4,000		
To Interest on Bank overdraft	1,125		
To Net profit c/d	1,200		
	2,68,675		
	2,99,450		2,99,450

DV

Profit & Loss Appropriation A/c

To Interest on capital		By Net profit b/d	2,68,675
Mangal :- 2500		By Interest on Drawing	
Ketu :- 2000	4500	Mangal :- 500	
To partners Salary		Ketu :- 150	650
Mangal :- 3000			
Ketu :- 3000	6000		
To Share of profits :-			
Mangal 10/- 232743			
Ketu 10/- 25882	258825		
	269325		269325

Balance Sheet of M/s Mangal & Ketu as on 31-12-2005

Liabilities		Amount	Asset		Amount
Mangal			Plant & machinery	75,000	
Capital	50,000		Less: Dep	7500	
Add Net profit	232943				67500
Add Interest on Capital	2500		Sundry Debtors	45000	
Add Salary	3000		Less R.B.D	1125	
	2,88,443				43875
Less: Drawings	5000		Free hold premises		1,20,000
Less Interest on Drawings	500		Bills Receivable		15,000
		282743	Furniture	20,000	
Ketu			Less Dep	4000	
					16000
Capital	40,000		Closing Stock		75000
Add Net profit	25,882		Cash at Bank		2000
Add Interest on Capital	2000		Cash in Hand		4000
Add Salary	3000				
	70,882				
Less Drawings	1500				
Less Interest on Drawings	150				
		69232			
Bank overdraft	20,000				
Add Interest	1200	21,200			
Bills payable		12,000			
Outstanding Salaries		3000			
Outstanding Wages		5000			
		393375			393375

P/c 34 Trading & Profit & Loss A/c of M/s S.K.P
For the Year Ended 31-12-2005

Particulars	Amount	Particulars	Amount
To opening Stock	23,600	By Sales	5,20,000
To purchases	3,38,000	By closing Stock	33,680
To Wages	96,000		
To Light & Heat			
Add outstanding 2400 720	3120		
To Gross profit c/d	92960		
	5,53,680		5,53,680
To Salaries	14400	By Gross profit b/d	92960
To Discount	13600	By Discount	4,800
To Rent, Rates & Insurance	9240		
To Sales Mangers commission 5,20,000 × 1%	5200		
To Repairs To Building	800		
To Carriage outwards	3,600		
To Motor Car Exp	4,400		
To Traveling Exp	5,600		
To Sundry Exp	7,320		
To Telephone 600			
Add outstanding 200	800		
To Dep on Motor car	1040		
To Dep on plants	2400		
To Dep on furniture	640		
To Net profit c/d	28720		
	97760		97760

K.P
2-2005

Profit & Loss Appropriation A/c

Particulars	Amount	Particulars	Amount
To Interest on capital:-		By Net profit b/d	28720
S :- 1160			
K :- 680			
P :- 640			
To partners Salary:-	2480		
S :- 8000			
K :- 6400			
P :- 5600	20,000		
To Share of profits			
S :- 40% 2496			
K :- 30% 1872			
P :- 30% 1872	6240		
	28720		28720

Balance Sheet of M/s SKP as on 31-12-2005

Liabilities		Amount	Asset		Amount
S					
Capital	23200		Debtors		12800
Add Net profit	2496		Furniture	6400	
Add Interest	1160		less Dep	640	5760
Add Salary	8000		Motor car	5200	
	34856		less Dep	1040	4160
less Drawings	9600	25256	Plant & Machinery	19200	
K			less Dep	2400	16800
Capital	13600		closing stock		33680
Add Net profit	1872		Cash at Bank		6,240
Add Interest	680		Cash in Hand		200
Add Salary	6400				
	22552				
less Drawings	8800	13752			
Capital P	12800				
Add Net profit	1872	12512			
Add Interest	640	720			
Add Salary	5600	25200			
	20912				
less Drawings	8400				79640
Out standing Light					
Out standing Telephone					
Out standing Motor					

1/F.55

Dr Profit & Loss Appropriation A/c Cr

Particulars	Amount	Particulars	Amount
To Interest on Capital:-		By Net profit b/d	47,010
Laxmi :- 83580 × 5% = 4179			
Vani :- 76860 × 5% = 3843			
	8022		
To Share of profits:			
Laxmi :- ½ = 19494			
Vani :- ½ = 19494	38988		
	47010		47010

Dr Laxmi's Capital A/c Cr

Particulars	Amount	Particulars	Amount
To Drawings	21000	By Balance b/d	83,580
To Salary To Vani (1000×12 − 6000)	6000	By Interest on Capital	4179
To Balance c/d	80253	By Share of profit	19494
	107253		107253
		By Balance b/d	

Dr Vani's Capital A/c Cr

Particulars	Amount	Particulars	Amount
To Drawings	15000	By Balance b/d	76860
To Balance c/d	91197	By Interest on Capital	3843
		By Share of profit	19494
		By Salary from Laxmi	6000
	106197		106197
		By Balance b/d	91197

2/F-55

A's Capital A/c

Particulars	Amount	Particulars	Amount
To Balance c/d	40,000	By Balance b/d	40000
		By Balance b/d	40,000

B's Capital A/c

Particulars	Amount	Particulars	Amount
To Balance c/d	30,000	By Balance b/d	30,000
		By Balance b/d	30,000

C's Capital A/c

Particulars	Amount	Particulars	Amount
To Balance c/d	20,000	By Balance b/d	20000
		By Balance b/d	20,000

Profit & Loss Appropriation A/c

Particulars		Amount	Particulars	Amount
To Interest on Capital :-			By Net profit b/d	20,100
A :- 40000 × 5·1.	2000			
B :- 30000 × 5·1.	1500			
C :- 20000 × 5·1.	1000	4500		
To Share of profit in First Rs 12000				
A :- 12000 × 50·1.	6000			
B :- 12000 × 30·1.	3600			
C :- 12000 × 20·1.	2400	12000		
To Share in Remaing profit				
A :- 1/3	1200			
B :- 1/3	1200			
C :- 1/3	1200	3600		
		20100		20100

DV

A's current A/c

Particulars	Amount	Particulars	Amount
To Drawings A/c	8000	By Balance b/d	3000
To Balance c/d	4200	By Interest on Capital	2000
		By Share of profit (6000 + 1200)	7200
	12200		12200
		By Balance b/d	4200

DV

B's current A/c

Particulars	Amount	Particulars	Amount
To Drawings A/c	7,500	By Balance b/d	500
To Balance c/d	1300	By Interest on Capital	1500
		By Salary A/c	2000
		By Share of profit (3600 + 1200)	4800
	8800		8800
		By Balance b/d	1300

DV

C's current A/c

Particulars	Amount	Particulars	Amount
To Balance b/d	1000	By Interest on Capital	1000
To Drawings A/c	4000	By Salary A/c	1500
To Balance b/d	1100	By Share of profit (2400 + 1200)	3600
	6100		6100
		By Balance b/d	1100

31.12.96 Trading & profit & Loss A/c of M/s Sridhar & Kiran

Dr For the year Ended 31-12-1991 Cr

particulars	Amount	particulars	Amount
To opening Stock	11,500	By Sales 1,60,000	
To purchases 85,000		less Returns 1500	
less Returns 2,500			1,58,500
	82500	By closing Stock	12,500
To Carriage Inwards	5,800		
To Wages	14000		
To Gross profit c/d	57200		
	1,71,000		171000
To Salaries	12,250	By Gross profit b/d	57200
To Rent	3,750		
To Postage & Telegram	500		
To Advertising 9000			
less prepaid 1800	1800		
written off	7200		
To Telephone charges	500		
To printing & Stationery	740		
To commission	5000		
To Travelling Exp	2000		
To Dep on Furniture	250		
To Dep on plants	1000		
To Dep on Motor Van	4172		
To R.B.D	2025		
To Net profit c/d	23213		
	57200		57200

Dr Profit & Loss Appropriation A/c Cr

To Interest on Capital :-		By Net profit b/d	23213
Sridhar :- 3250			
Kiran :- 2000			
	5250		
To Kiran's Salary	1800		
To Share of Net profit :-			
Sridhar :-	16163		
Kiran :-			23213
	23213		

Balance Sheet of M/s Sridhar & Kiran as on 31-12-1991

Liabilities		Amount	Asset		Amount
Sridhar			Good will		40,000
Capital	65,000		Office furniture	5000	
Add Net profit	9698		less Dep	250	
Add Interest on Capital	3250		Sundry Debtors	40,500	4750
	74948		less R.B.D	2025	
less Drawings	4000		Prepaid Advertising		38475
Kiran			Motor Van	20,860	
Capital	40,000	73948	less Dep	4172	
Add Net profit	6465		Plant & Machinery	10,000	16688
Add Interest on Capital	2000		less Dep	500	9500
Add Salary	1800		Closing Stock		12500
	48265	47265	Cash in Hand		16000
less Drawings	3000		Prepaid Advertising (9000 paid - 1800)		7200
Sundry creditors		14,500			
Bills payable		8900			
		144613			144613

4/F.56 Trading & profit & loss A/c of M/s I and M
Dr For the year Ended 31-12-1989 Cr

Particulars	Amount	Particulars	Amount
To opening Stock	50,000	By Sales	4,15,000
To purchases 3,10,000		By closing Stock	1,45,000
Less Drawings 3000			
Less Furniture 10,000	2,97,000		
To Wages	20,000		
To Carriage Inwards	10,000		
To Gross profit b/d	1,83,000		
	5,60,000		5,60,000
To Salaries	32,000	By Gross profit b/d	1,83,000
To Rates & Taxes	5,000	By R.D.C	2800
To postage & Telephone	11,500	By Net loss c/d	37665
To Sales men commission	35,000		
To Insurance	9000		
To Advertising	17000		
To printing & Stationery	3000		
To Bad debts 2000			
Add New Bad debt 5000	7000		
To Cash Discount	4000		
To General Exp	14000		
To Carriage outwards	22000		
To R.B.D	4750		
To R.D.D	5415		
To Dep on Furniture	2700		
To Dep on Motor Car	9600		
To Commission To Sales Manager	11,500		
	223465		223465

Profit & Loss Appropriation A/c

Particulars	Amount	Particulars	Amount
To Net Loss b/d	37665	By Share of Net Loss :-	
		L :- 1/2	18833
		M :- 1/2	18832
	37665		37665

Balance Sheet of M/s L and M as on 31-12-1989

Liabilities		Amount	Assets		Amount
L			Furniture	22000	
Capital	144300		Add New furniture	10000	
Less Net loss	18833			32000	
Less Drawings	3000		Less Dep	2700	
		129467	Motor Car	48000	29300
M			Less Dep	9600	
Capital	144300		Sundry Debtors	100000	38400
Less Net loss	18832		Less New Bad debt	5000	
Less Drawings	4000	121468	Less R.B.D	4750	
Sundry Creditors	40,000		Less R.D.D	5415	
Less R.D.C	2800				84835
Bill standing		37200	Closing Stock		1,45,000
Sales Manger's Commission		41500	Cash at Bank		23000
			Cash in Hand		2100
		3,22,635			3,22,635

S/F-57 Trading & Profit & Loss A/c of M/s A and B
For the Year End 31-12-1992

Particulars	Amount	Particulars	Amount
To Opening Stock	7000	By Sales 1,90,000	
To purchases 115,000	111600	less Returns 2000	1,88,000
less Returns 3000		By closing Stock	10,000
less Drawings 400	112,000		
To Wages	3000		
To Carriage	1000		
To Gross profit c/d	75,400		
	1,98,000		1,98,000
To Rent & Taxes	4001	By Gross Profit b/d	75,400
To Interest on Bank Loan	800	By Interest on Investment	
To office Exp 6700		300	450
less prepaid 300	6100	Add outstanding 150	
less	6400	By R.B.D	500
To Dep on Furniture	600		
To Dep on Land & Government	14300		
To R.B.D	385		
To New Bad debts	300		
To Net profit c/d	49564		
49847			
	76350		76350

DV Profit & Loss Appropriation A/c

To Interest on capital :-		By Net profit b/d	
A :- 4500		By Interest on Drawings	
B :- 3000	7500	A :- 258	2328
To Share of Net profit		B :- 81324	
A :-			
B :-			
	58942		58942

S/P-57 Trading & profit & loss A/c of M/s A and B

Dr For the Year Ended 31-12-1992 Cr

Particulars	Amount	Asset Particulars	Amount
To opening Stock	7000	By Sales 1,90,000	
To purchases 1,15,000		Less Returns 2000	1,88,000
less Returns 3000		By closing Stock	10,000
less Drawings 400	111600		
To Wages	3000		
To Carriage	1000		
To Gross profit c/d	75,400		
	1,98,000		1,98,000
To Rent & Rates	4001	By Gross profit b/d	75400
To Interest on Bank loan	800	By Interest on Investment 300	
To Office Exp 6700		Add outstanding 150	450
less prepaid 300		By R.B.D	500
less Bad debt 300	6100		
To Dep on Furniture	600		
To Dep on Land & other Asset	14300		
To R.B.D (8000 x 5%)	400		
To Bad debts	300		
To Net profit c/d	49849		
	76350		76350

Dr Profit & Loss Appropriation A/c Cr

To Interest on Capital:		By Net profit b/d	49849
A:- 90,000 x 5% . 4500		By Interest on Drawings	
B:- 60000 x 5% . 3000	7500	A:- 8600 x 6/12 x 6% . 258	
To Share of Net profit		B:- 5400 x 3/12 x 6% . 81	
A:- 5/8 26,680			339
B:- 3/8 16008	42688		
	50188		50188

Balance Sheet of M/s A and B as on 31-12-1992

Liabilities		Amount	Asset		Amount
A			Bills Receivable		5000
Capital	90,000		Debtors	8000	
Add Net profit	26,680		less R.B.D	400	7600
Add Interest on Capital	4500		Land & Other Asset	1,95,000	
	1,21,180		less Dep	14300	180700
less Drawings	8600		Investments		10,000
less Interest on Drawings	258	1,12,322	Furniture	6000	
B			less	600	5400
Capital	60,000		~~Closing Stock~~		~~10,000~~
Add Net profit	16,008		~~Cash at Bank~~		~~13,999~~
Add Interest on Capital	3000		Out Standing Interest on Investment		150
	79008		Prepaid Office Exp		300
less Drawings	5400		Closing Stock		10,000
less Interest on ~~Capital~~ Drawings	81 400	73127	Cash at Bank		13,999
Bills payable		8000			
Creditors		10,000			
Bank Loan		29,700			
		2,33,149			2,33,149

H.F-59 Trading & profit & Loss A/c of M/s Hira & Manik
DY for the year ended 31-3-1989 Cr

Particulars	Amount	Particulars	Amount
To opening Stock	30,000	By Sales 2,40,000	
To purchases	80,000	less Returns 950	
To Carriage Inwards	1,700	By closing Stock	2,39,050
To Wages	16,000		45,000
To Gross profit c/d	1,56,350		
	2,84,050		2,84,050
To Salaries	12,000	By Gross profit b/d	1,56,350
To Carriage outwards	2,500	By Discount	2000
To Trade Expenses	6000	By Appreciation on	
To Advertisement	2500	free hold ~~premises~~	
To Discount	900	land & Building	
To Insurance	1000	(~~85000 value of land~~	
To Bad debts	1000	90	
To Dep on Plants	5000	(90,000 present value	
To Dep on Furniture	3600	− 85,000)	5000
To L.B.D	1250		
To Interest on Hirai loan	1250		
To Net profit c/d	126350		
	1,63,350		1,63,350

DY Profit & Loss Appropriation A/c Cr

To Manik's Salary	3000	By Net profit b/d	1,26,350
		By Interest on Drawing	
		Hira : 3000 × 3/12 × 10 · 1·75	
		Manik : 2000 × 5/12 × 10 · 1·50	125

Dr

Trading & Profit & Loss A/c of M/s Pankaj & Satyanarayan for the year ended 31-12-1983.

Particulars	Amount	Particulars	Amount
To opening stock	30,000	By Sales	6,40,000
To purchases 1,30,000		By closing stock	70,000
~~To lighting~~ Less Drawing 3000	1,27,000		
	1000		
To Gross profit c/d	153000		
	7,10,000		7,10,000
To Salaries	50,000	By Gross profit b/d	153000
To Insurance	3000		
To Van Expenses	15000		
To General Expenses	5000		
To lighting			

Trading & profit & Loss A/c of M/s A, B & C
for the Year ended 31-12-[illegible]

Dr

Particulars	Amount	Particulars	Amount
To opening Stock:		By Sales	8,50,000
Raw material 30,000		By closing Stock	
Finished Goods 50,000		Raw material 35000	
Work in progress 40,000	1,20,000	Finished Goods 75000	
To purchases	3,40,000	Work in progress 67000	
To Wages	2,80,000		177000
To Gross profit c/d	2,87,000		
	10,27,000		1027000
To Salaries 1,17,405			
Add outstanding 14000	1,31,405	By Gross profit b/d	2,87,000
To Lew. Rates & Taxes 22000		By R.B.D	6800
Add outstanding 1900	23900		
To Electric charges	12000		
To postage	1500		
To Insurance 3081			
less prepaid 237	2844		
To printing & Stationery	2314		
To General charges	27500		
To Dep on Furniture	700		
To Dep on plants	6000		
To Bad debts	4000		
To R.B.D	4000		
To Net profit c/d	8760		
	293800		293800

Dr

Profit & Loss Appropriation A/c			
To Interest on capital		By Net profit b/d	72537
A:- 3200		By Interest on drawings	
B:- 2800		A:- 360	
C:- 2400	8400	B:- 345	
To Share of Net profit		C:- 330	1035
A:- 21737			
B:- 21737			
C:- 21738	65212		
	73612		73612

B&C
31-12-87

Amount

8,50,000

1,77,000

10,27,000

2,87,000
6800

2,93,800

12,577

10,35

73612

Partners Current A/c A, B & C

Particulars	A	B	C	Particulars	A	B	C
To Drawings	12000	11500	11000	By Share of profit	21737	21737	21738
To Interest on Drawings	360	345	330	By Interest on Capital	3200	2800	2400
To Balance c/d	12577	12692	12808				
	24937	24537	24138		24937	24537	24138
				By Balance b/d	12577	12692	12808

Balance Sheet of M/s A, B & C as on 31-12-87

Liabilities	Amount	Asset	Amount
Capitals		Plant & Machinery 80000	
A :- 80,000		less Dep 6000	74000
B :- 70,000		Furniture 14000	
C :- 60,000	2,10,000	less Dep 700	13300
Loan Account		Loose Tools	15000
A :- 50000		Prepaid Insurance	237
B :- 45000		Sundry Debtors 100000	
C :- 40000	135000	less New Bads 4000	
Sundry creditors	35000	less R.B.D 960	95040
partners current A/c		Closing Stock	
A :- 12577		Raw material 45000	
B :- 12692		Finished Goods 75000	
C :- 12808	38077	Work in progress 57000	177000
Old Standing Salaries	14000	Cash in Hand & Bank	67500
Old standing Rent	1900		
Old standing Interest on partners loan			
A :- 3000			
B :- 2400			
C :- 2700	8100		
	442077		442077

10/F-63 ~~Trading~~ & Profit & Loss A/c of M/s A and B
Dr for the year ended 31-9-1963

Particulars		Amount	Particulars	Amount
To Salaries	2,189		By Gross profit b/d	34,628
Add outstanding	69	2258	By R.B.D	600
To Advertising	4,339			
Less prepaid	878	3461		
To Office Expenses		622		
To Insurance	364			
Less prepaid	62	302		
To Delivery Expenses		2,203		
To Mortgage Interest	450			
Add outstanding	150	600		
To Dep on plants		1718		
To Dep on Furniture		30		
To Dep on patents		400		
To Dep on Motor Van		100		
To R.B.D				
To ~~Gross~~ Net profit c/d		801		
		22734		
		35,228		35,228

Dr Profit and Loss Appropriation A/c

To Interest on capital @			By Net profit b/d	22734
A:- current A/c 53+1000		1443	By Interest on Drawing	
B:- 140+250		~~1250~~	A:- 330	
To B's Salary		1000	B:- 80	410
To B's commission		~~2089~~		
To Share of profit :-		2010		
A:- 4/5	14905			
B:- 1/5	3726	18631		
		23,144		23,144

Partners current A/c A & B

Particulars	Amount	Amount	Particulars	Amount	Amount
Drawings	10,000	3000	By Balance b/d	1060	2800
Interest on drawings	330	80	By Interest on Capital	1000	250
Balance c/d	6688	6905	By Interest on current A/c	53	140
			By B's Salary	-	1000
			By B's commission	-	2070
			By Share of profit	14905	3726
	17018	9986		17018	9986
			By Balance b/d	6688	6905

Balance Sheet of M/s A & B as on 30-9-1986

Liabilities	Amount	Asset		Amount
Capitals		Patents	4000	
A :- 20,000		less Dep	400	3600
B :- 5000	25000	Freehold premises		15000
Partners current A/c		Sundry Debtors	16020	
A :- 6688		less R.B.D	801	15219
B :- 6905	13593	Machinery & plants	13280	
Sundry creditors	24150	Add New Machinery	1560	
Mortgage on freehold premises	10,000	less Dep	14840 1718	13122
Outstanding Interest on Mortgage loan	150	Motor van	900	
Outstanding Salaries	69	less Dep	100	800
		Prepaid factory Exp		70
		Office Furniture	300	
		less Dep	30	270
		Prepaid Insurance		62
		Prepaid Advertising		878
		Closing Stock		21,069
		Cash at Bank		2,841
		Cash at in Hand		31
	72963			72963

U/F-64 Manufacturing, Trading & profit & loss A/c of M/s ABC

Dr For the Year Ended 31-3-1981

Particulars	Amount	Particulars	Amount
To Raw Material consumed:		By closing work in progress	10,000
Opening Raw material 60,000		By cost of Goods Manufactured c/d	282500
Add purchase of Raw Material 2,10,000			
2,70,000			
Less closing Raw material 50,000	2,20,000		
To opening work in progress	5000		
To Wages	30,000		
To Factory Rent 12,000			
Add outstanding 1000	13,000		
To factory Salaries 18000			
Add outstanding 2000	20,000		
To Dep on Machinery	4500		
	292500		2,92,500
To opening finished Goods	20,000	By Sales	3,30,000
To cost of Goods Manufactured b/d	2,82,500	By closing finished Goods	35000
To purchase of finished Goods			
To Gross profit c/d	10,000 52,500		
	3,65,000		3,65,000
To Salaries 12000			
Add outstanding 1000	13000	By Gross profit b/d	52,500
To office Rent, Rates & Taxes	3000	By Discount Received	1100
To Selling Expenses	8000		
To Interest on loan 4000			
Add outstanding 1000	5000		
To ~~Discount~~ Discount	3000		
To Depon Furniture	500		
To Net profit c/d	21,100		
	53600		53600

M/s A&B

Profit & Loss Appropriation A/c

Amount	Particulars	Amount	Particulars	Amount
10,000	To Interest on Capital :-		By Net profit b/d	21,100
	A :- 68000 x 6/- 4080			
282500	B :- 30000 x 6/. 1800	5880		
	To partners Salary			
	A :- 6000			
	B :- 3000	9000		
	To Share of profit :-			
	A :- 3/5 3732			
	B :- 2/5 2488	6220		
		21,100		21,100

Balance Sheet of M/s A & B as on 31-3-1981

Amount	Liabilities		Amount	Assets		Amount
	A					
	Capital	68000		Debtors		78000
	Add Interest	4080		Machinery	45000	
	Add Salary	6000		less Dep	4500	40500
3,65,000	Add Net profit	3732		Furniture	5000	
		7581 ~~81,612~~	75312	less Dep	500	4500
52,500	less prepaid	500	8	Closing Stock		
1100	B			Raw Material	50,000	
	Capital	30,000		Work in progress	10,000	
	Add Interest	1800		Finished Goods	35000	95000
	Add Net profit	2488		Cash in Hand		2000
		34,288				
	less prepaid	600	33688			
	Creditors		56000			
53,600	Loan		50,000			
	outstanding Factory salary		2000			
	outstanding office Salary		1000			
	outstanding Interest on loan		1000			
	outstanding Factory Rent		1000			
			2,20,000			2,20,000

Admission of A partner

Journal Entries on Admission of a partner

Date	Particulars	L/F	Debit Amount	Credit Amount
(1)	When Assets are Appreciated and liabilities Reduced			
	Land & Buildings A/c ---- Dr		xxx	
	Investments A/c ---- Dr		xxx	
	Reserve for Bad debts A/c ---- Dr		xxx	
	To Revaluation A/c			xxx
(2)	When Assets are Depreciated & New Liability created :-			
	Revaluation A/c ---- Dr		xxx	
	To plant & machinery A/c			xxx
	To Furniture A/c			xxx
	To liability for Bills Discounted A/c			xxx
(3)	If Revaluation A/c shows Excess debit It is loss on Revaluation, If Revaluation shows Excess credit It is profit on Revaluation. Whether profit or loss on Revaluation It must be shared Between old partners In there old profit sharing Ratio.			
(a)	When There is Loss on Revaluation :-			
	A's Capital A/c ---- Dr		xxx	
	B's Capital A/c ---- Dr		xxx	
	To Revaluation A/c			xxx
(b)	When There is profit on Revaluation :-			
	Revaluation A/c ---- Dr		xxx	
	To A's Capital A/c			xxx
	To B's Capital A/c			xxx

(4) When Accumulated profits such as General Reserve, Reserve Fund, Workmen Accident Compensation Fund etc are Shared between the old partners in there old profit sharing Ratio

General Reserves A/c ---- Dr		xxx	
To A's capital A/c			xxx
To B's capital A/c			xxx

Note:- For Each Such item Similary Entry as Above Shall be passed.

(5) When Good will is created or Appreciated or The Good will To be brought in By the New partner Towards his Share is Shared Between old Partner in There old profit Sharing Ratio:-

Good will A/c ---- Dr		xxx	
To A's Capital A/c			xxx
To B's Capital A/c			xxx

Note:- Some times Good will created shall be shared between old partners in their sacrifying ratio

(6) When New partner 'C' Brings in Cash Towards his Capital & also Towards his Share of Good will :-

Bank A/c ---- Dr		~~52,500~~ xxxx	xxxx
To C's Capital A/c			~~50,000~~
To Good will A/c			~~2500~~ xxxx

(7) When old partners did Draw There Share of Good will from The Business:

A's Capital A/c ---- Dr		xxx	
B's Capital A/c ---- Dr		xxx	
To Bank A/c			xxx

(8) When All partners Including New partner decided To Cancel Goodwill Amount which They Bear In There New profit Sharing Ratio:-

A's Capital A/c --- Dr		xxx	
B's Capital A/c --- Dr		xxx	
C's capital A/c --- Dr		xxx	
To Good will A/c			xxx

(c) When All partners Agree To Maintain Their Capitals in proportion To Their New profit Sharing Ratio Then Their Required Capital Amount Must be Decided. Any old partner has ~~left~~ More Than this Amount in his Capital he Shall withdraw Cash from The Business & The old partners whose Capital is ~~More~~ less Than This the Amount he Must Bring in Cash To Make up his Capital

(a) When A old partner Brings in Cash To Make up his Capital :-

Bank A/c ----	Dr	xxx	
To B's Capital A/c			xxx

(b) When The old partner 'A' withdraws. The excess Amount in his Capital :-

A's Capital A/c ----	Dr	xxx	
To Bank A/c			xxx

Accounts Required :-

i. Revaluation A/c
ii. Accumulated profits Accounts (one for Each Partner)
iii. Good will A/c
iv. All partners Capital Accounts (Individually)
v. Bank A/c

After preparation of All The Above Notes Balance Sheet of The New Firm is To be prepared

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Working Notes

New partner, Srinivas Share of profit in the Ratio $\frac{1}{3}$

∴ The Remaining profit is $\frac{2}{3}$

∴ Vidyananda charji Share in the Remaing profit

$= \frac{2}{3} \times \frac{3}{5} = \frac{2}{5}$

∴ Suresh's Share in the Remaing profit

$= \frac{2}{3} \times \frac{2}{5} = \frac{4}{15}$

∴ New profit sharing Ratio is

V. charj : Suresh : Srinivas

$\frac{2}{5} : \frac{4}{15} : \frac{1}{3}$

$= \frac{6 : 4 : 5}{15}$

$= 6 : 4 : 5$

Share of General Reserve

Vidyanandaji charji Share in General Reserve

$= 30,000 \times \frac{3}{5} = Rs\,18000$

Suresh's Share in General Reserve

$= Rs\ 30,000 \times \frac{2}{5} = Rs\,12000$

Share of Good will

V. charji Share in Good will

$= Rs\ 10,000 \times \frac{3}{5} = Rs\,6000$

Suresh's Share in Good will

$= Rs\,10,000 \times \frac{2}{5} = Rs\,4000$

Journal Entries on Admission of Srinivas

date	particulars	L/F	Debit Amount	Credit Amount
	Buildings A/c ---- Dr		10,000	
	To Revaluation A/c			10,000
	(Being Buildings Appreciated by 20%.)			
	Revaluation A/c ---- Dr		8000	
	To R.B.D A/c			500
	To Stock A/c			2000
	To Plant & Machinery A/c			5500
	(Being Stock & Machinery Depreciated by 10% & R.B.D created 5% on Debtors)			
	Revaluation A/c ---- Dr		2000	
	To V. Charji ~~Mrs~~ Capital A/c			1200
	To Sureshis ~~Mrs~~ Capital A/c			800
	(Being profit on Shared Between Old partners in There old profit Sharing Ratio 3:2)			
	General Reserves A/c ---- Dr		30,000	
	To V. Charji Capital A/c			18000
	To Sureshis Capital A/c			12000
	(Being General Reserves is Shared Between The old partners in There old profit Sharing Ratio 3:2)			
	Goodwill A/c ---- Dr		10,000	
	To V. Charji Capital A/c			6000
	To Sureshis Capital A/c			4000
	(Being Good To brought by The New partner is Shared between old partners in There old profit Sharing Ratio 3:2)			

	Bank A/c ---- Dr		35000	
	To Srinivas Capital			25000
	To Goodwill A/c			10,000
	(Being Cash Brought in for his Capital & his share of Goodwill)	By	The New partner	
	N. Charys Capital A/c --- Dr		6000	
	Suresh Capital A/c --- Dr		4000	
	To Bank A/c			10,000
	(Being old partners have withdrawn the share of Goodwill from the Business)			

Dr

Revaluation A/c

Particulars	Amount	Particulars	Amount
To R.B.D A/c	500	By Building A/c	10,000
To Stock A/c	2000		
To Plant & Machinery	5500		
To Vichary Capital 1200	1920		
To Suresh Capital 800	2000		
	10,000		10,000

Dr

General Reserve A/c

Particulars	Amount	Particulars	Amount
To V. Chary Capital A/c	18000	By Balance b/d	30,000
To Suresh Capital A/c	12000		
	30,000		30,000

Dr

Good will A/c

Particulars	Amount	Particulars	Amount
To V. Chary Capital	6000	By Bank A/c	10,000
To Suresh Capital	4000		
	10,000		10,000

Dr

Vidyasagar Chary's Capital A/c

Particulars	Amount	Particulars	Amount
To Bank A/c	6000	By Balance b/d	30,000
To Balance c/d	49200	By Revaluation A/c	1200
		By Good will A/c	6000
		By General Reserve	18000
	55,200		55,200
		By Balance b/d	49200

Dr

Suresh A/c

Particulars	Amount	Particulars	Amount
To Bank A/c	4000	By Balance b/d	20,000
To Balance c/d	32800	By Revaluation A/c	800
		By Good will A/c	4000
		By General Reserve	12000
	36800	By	36800

Srinivas Capital A/c

Particulars	Amount	Particulars	Amount
To Balance c/d	25000	By Bank A/c	25000
		By Balance b/d	25000

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance b/d	5000	By V. Chary Capital	6000
To Srinivas Capital	25000	By Suresh Capital A/c	4000
To Good will A/c	10,000	By Balance c/d	30,000
	40,000		40,000
To Balance b/d	30,000		

Opening Balance Sheet of M/s V. Chary, Suresh & Srinivas

Liabilities	Amount	Assets		Amount
Capitals		Buildings	50,000	
V. Chary	49200	Add Appreciation	10,000	60,000
Suresh	32800	Plant & Machinery	55000	
Srinivas	25000	Less Dep	5500	49500
Creditors	60,000	Sundry Debtors	10,000	
		Less R.B.D	500	9500
		Stock	20,000	
		Less Dep	2000	18000
		Cash at Bank		30,000
	167000			167,000

4/E-36

Working Notes

New partner Vijay's share in profit = $\frac{1}{4}$

Remaining Remaining profit = $\frac{3}{4}$

Rajesh's share in the Remaining profit = $\frac{3}{4} \times \frac{2}{3}$

$= \frac{2}{4_2} = \frac{1}{2}$

Ajay's share in the Remaining profit = $\frac{3}{4} \times \frac{1}{3}$

$= \frac{1}{4}$

∴ New profit sharing Ratio is

Rajesh : Ajay : Vijay

$\frac{1}{2} : \frac{1}{4} : \frac{1}{4}$

$= 2 : 1 : 1$

General Reserve Share

Rajesh's share in General Reserve $15000 \times \frac{2}{3}$

$= 10,000$

Ajay's share in General Reserve $15000 \times \frac{1}{3}$

$= 5000$

Goodwill Share by old partner Tobe which will be Brought in By New partner

Rajesh's share in Goodwill = $15000 \times \frac{2}{3}$

$= 10,000$

Ajay's share in Goodwill = $15000 \times \frac{1}{3}$

$= 5000$

Journal Entries on Admission of Vijay

Date	Particulars	L/F	Debit Amount	Credit Amount
	Plant & Machinery A/c ---DR		5000	
	Sundry Creditors A/c ---DR		1500	
	To Revaluation A/c			6500
	(Being plant is Appreciated by 45000-40000 = 5000 & Sundry Creditors Reduced)			
	Revaluation A/c ---- DR		6800	
	To Stock A/c			4000
	To R.B.D A/c			900
	To Liability to workmen for compensation A/c			1900
	(Being Stock is Revalued at 20000-16000 = 4000, R.B.D created at 5% on Debtors & New Liability is created charging To Revaluation A/c)			
	Rajesh Capital A/c --- DR		200	
	Ajay's Capital A/c ---DR		100	
	To Revaluation A/c			300
	(Being Loss on Revaluation Share by old partners in their old profit sharing Ratio 2:1)			
	General Reserves A/c ---- DR		15000	
	To Rajesh Capital A/c			10,000
	To Ajay's Capital A/c			5000
	(Being General Reserve is shared Between old partners in their old profit sharing Ratio 2:1)			
	Good will A/c --- DR		15000	
	To Rajesh Capital A/c			10,000
	To Ajay's Capital A/c			5000
	(Being Good will to be brought in by New partner is share by old partners in their old profit sharing Ratio 2:1)			

	Bank A/c ---- Dr		145000	
	To Vijay's Capital A/c			30,000
	To Good will A/c			15000
	(Being Cash Brought in by the New partner for his Capital & his share of Good will)			

Dr

Revaluation A/c

Particular	Amount	Particular	Amount
To Stock A/c	4000	By Plant & Machinery	5000
To R.B.D A/c	900	By Sundry creditors A/c	1500
To Liability To work Men for compensation	1900	By Shares of loss	
		Rajesh 200	
		Ajay 100	300
	6800		6800

Dr

General Reserves A/c

To Rajesh's Capital A/c	10,000	Balance b/d	15000
To Ajay's Capital A/c	5000		
	15000		15000

Good will A/c

Particulars	Amount	Particulars	Amount
To Rajesh Capital A/c	10,000	By Bank A/c	15000
To Ajay's Capital A/c	5000		
	15000		15000

Rajesh's Capital A/c

To Revaluation A/c	200	By Balance b/d	40,000
To Balance c/d	59800	By General Reserve A/c	10,000
		By Good will A/c	10,000
	60,000		60,000
		By Balance b/d	59800

Ajay's Capital A/c

To Revaluation A/c	100	By Balance b/d	25000
To Balance c/d	34900	By General Reserve A/c	5000
		By Good will A/c	5000
	35000		35000
		By Balance b/d	34900

Vijay's Capital A/c

To Balance c/d	30,000	By Bank A/c	30,000
		By Balance b/d	30,000

Bank A/c

To Balance b/d	12000	By Balance c/d	57000
To Vijay's Capital A/c	30,000		
To Good will A/c	15000		
	57000		57000
To Balance b/d	57000		

Opening Balance Sheet of Rajesh, Ajay & Vijay

Liabilities	Amount	Assets		Amount
Capitals		Plant & Machinery		45000
Rajesh	59800	Patents		19000
Ajay	34900	Debtors	18000	
Vijay	30000	Less Dep/R.B.D	900	17,100
Sundry creditors 20,000		Stock		16000
Less creditors Not be paid	1500 18500	Cash at Bank		53000
Liability to workmen for compensation	1900			
	1,45,100			1,45,100

12/E-36

Working Notes

Shiva's Share in profits : $\frac{1}{5}$

Pratap Share in profit is $\frac{4}{5}$

Pratap : Shiva

$= \frac{4}{5} : \frac{1}{5}$

$= \frac{4:1}{5}$

$= 4:1$

Vijay

Amount
45000
10,000
17,000
16000
57000
45,100

Journal Entries on Admission of Shiva

Date	Particulars	L/F	Debit Amount	Credit Amount
	Land & Buildings A/c ---- Dr		5900	
	To Revaluation A/c			5900
	(Being Land & Buildings are Appreciated by 15000 - 9100 = 5900)			
	Revaluation A/c ---- Dr		5345	
	To Stock A/c			1700
	To R.B.D A/c			1450
	To Investment A/c			1000
	To Furniture A/c			50
	To Motor Lorry A/c			475
	To plant & Machinery A/c			670
	(Being Assets are Depreciated & R.B.D created)			
	Revaluation A/c ---- Dr		555	
	To pratap's Capital A/c			555
	(Being profit on Revaluation Transfered To pratap's Capital A/c)			
	Good will A/c ---- Dr		8000	
	To pratap's Capital A/c			8000
	(Being Good will to be brought in by Shiva is Transfered To pratap's Capital A/c)			
	Bank A/c ---- Dr		18000	
	To Shiva's Capital A/c			10,000
	To Good will A/c			8000
	(Being Cash brought in by Shiva towards his Capital & his Share of Good will)			

Opening Balances Sheet of M/s Pratap & Shiva

Liabilities	Amount	Assets	Amount
Capitals		Land & Buildings	15000
Pratap 1,00,000		Plant & Machinery 13400	
Add Revaluation profit 555		less Dep 670	12730
Add Goodwill 8000	1,08,555	Motor Lorry 9500	
Shiva	10,000	less Dep 475	9025
Sundry creditors	2,500	Furniture 1000	
Bills payable	1000	less Dep 50	950
Old standing Expenses	500	Investments	10,000
		Sundry Debtors 29000	
		less R.B.D 1450	27550
		Stock 17000	
		less Dep 1700	15300
		Cash at Bank 13600	
		Add Cash Received from Shiva 18000	31,600
		Cash at in Hand	400
	1,22,555		1,22,555

13/E-37

Working Notes

New partner D's share in profit = $\frac{1}{8}$

The Remaing profit is = $\frac{7}{8}$

A's Share in Remaing profit. $\frac{1}{8} \times \frac{6}{16}$

$= \frac{3}{8}$

B's Share in Remaing profit = $\frac{1}{8} \times \frac{5}{16}$

$= \frac{5}{16}$

C's Share in Remaing profit = $\frac{1}{8} \times \frac{3}{16}$

$= \frac{3}{16}$

∴ New profit Sharing Ratio is

A : B : C : D

$= \frac{3}{8} : \frac{5}{16} : \frac{3}{16} : \frac{1}{8}$

$= \frac{6:5:3:2}{16}$

Shiva

Amount

15000

12730

9025

950
10,000

27550

15300

1,600
400
22,555

General Reserve Shared

A's Share in General Reserve 10,500 × 6/14
= 4500

B's share in General Reserve 10,500 × 5/14
= 3750

C's share in General Reserve 10,500 × 3/14
= 2250

Appreciation in Good will 14,070 - 5,250
= Rs 8820 is Shared Between Old partners.

A's Share of Good will = 8820 × 6/14
= 3780

B's Share of Good will = 8820 × 5/14
= 3150

C's Share of Good will = 8820 × 3/14
= 1890

Old partners Capitals should be Maintained as follows;

A's New Capital Rs 14700 ÷ 2 × 6 Share
= Rs 44100

B's New Capital Rs 14700 ÷ 2 × 5 Share
= 36750

C's New Capital Rs 14700 ÷ 2 × 3 Share
= 22050

DV

Revaluation A/c

particulars	Amount	particulars	Amount
~~To Stock A/c~~		By Land & Buildings (59850 - 45150)	14700
To Furniture A/c	920		
To Stock A/c (29400 less ×10 -/-)	2940		
To Outstanding Repairs Bill	1,320		
To Share of Revaluation Profit			
A (Capital 4/14) 4080			
B Capital (5/14) 5400			
C Capital (3/14) 2040	9520		
	14700		14700

DV

General Reserves A/c

A's Capital A/c	4500	By Balance b/d	10,500
To B's Capital A/c	3750		
To C's Capital A/c	2250		
	10,500		10,500

DV

Good will A/c

To Balance b/d	5,250	By Balance c/d	14070
To A's Capital	3780		
To B's capital	3150		
To C's Capital	1890		
	14070		14070
To Balance b/d	14070		

DV

A's Capital A/c

To Bank A/c (Balance paid)	3660	By Balance b/d	35400
To Balance c/d (Decided in working Notes)	44100	By Revaluation A/c	4080
		By General Reserve	4500
		By Good will A/c	3780
	47760		47760
		By Balance b/d	

B's Capital A/c

Particulars	Amount	Particulars	Amount
To Bank A/c (Balance paid)	3400	By Balance b/d	29,850
To Balance c/d (Decided in working Notes)	36750	By Revaluation A/c	3400
		By General Reserve A/c	3750
		By Good will A/c	3150
	40150		40150
		By Balance b/d	36750

C's Capital A/c

Particulars	Amount	Particulars	Amount
~~To Bank A/c (Balance paid)~~		By Balance b/d	14550
To Balance c/d (Decided in Working Notes)	22050	By Revaluation A/c	2040
		By General Reserve A/c	2250
		By Good will A/c	1890
		By Bank A/c (Balance Received	1320
	22050	By Balance b/d →	22050

D's Capital A/c

Particulars	Amount	Particulars	Amount
To Balance c/d	14700	By Bank A/c	14700
		By Balance b/d	14700

Bank A/c

Particulars	Amount	Particulars	Amount
To Balance b/d	1,890	By A's Capital A/c	3660
To C's Capital A/c	1320	By B's Capital A/c	3400
To D's Capital A/c	14700	By Balance c/d	10850
~~To Balance c/d~~			
	17910		17910
By Balance b/d	10,850		

Opening Balance Sheet of M/s A, B, C & D

Liabilities	Amount	Assets		Amount
Capitals		Good will		14070
A	44100	Land & Building		59850
B	36750	Furniture	7350	
C	22050	Less Dep	920	6430
D	14700	Debtors		26460
Creditors	18900	Stock	29400	
Bills payable	6300	Less Dep	2940	26460
Outstanding Repair Bills	1320	Cash at Bank		10,850
	1,44,120			1,44,120

Journal Entries on Admission of D

date	particulars	LF	Debit amount	Credit amount
	Land & Buildings A/c ---- Dr		14700	
	To Revaluation A/c			14700
	(Being Land & Buildings are Appreciated by 59850 - 45150 = 14700)			
	Revaluation A/c ---- Dr		5180	
	To Furniture A/c			920
	To Stock A/c			2940
	To Outstanding Repair Bills A/c			1320
	(Being Furniture & Stock is depreciated & A New Liability is created)			

	Revaluation A/c ---Dr		9520	
	To A's Capital A/c			4080
	To B's Capital A/c	✓		3400
	To C's Capital A/c			2040
	(Being profit on Revaluation Share by old partners in their old profit sharing Ratio $\frac{6}{14}, \frac{5}{14}, \frac{3}{14}$)			
	General Reserve A/c ---Dr		10,500	
	To A's Capital A/c			4500
	To B's Capital A/c			3750
	To C's Capital A/c			2250
	(Being General Reserve is shared Between old partners in their old profit sharing Ratio $\frac{6}{14}, \frac{5}{14}, \frac{3}{14}$)			
	Good will A/c ---- Dr		8820	
	To A's Capital A/c			3780
	To B's Capital A/c			3150
	To C's Capital A/c			1890
	(Being Good will is Appreciated by 14070 - 5250 = 8820 between old partners in their old profit sharing Ratio $\frac{6}{14}, \frac{5}{14}, \frac{3}{14}$)			
	Bank A/c ------Dr		~~14700~~ 16020	
	To D's Capital A/c			14700
	To C's Capital A/c			1320
	(Being Cash Brought in by the New partner D Towards his Capital)			
	A's Capital A/c ---Dr		3860	
	B's Capital A/c ---Dr		3400	
	To Bank A/c			7060
	(Being ~~Cash Drawn by A & B Towards Their~~ To make up ~~New~~ Capital ~~Maintained~~) Excess Capital is withdrawn by A & B from the Business)			

14/E-37 **Working Notes**

New partner Ashish Share in profit
$= \frac{1}{16}$

The Remaining profit $= \frac{15}{16}$

Khan Share in profit $= \frac{1}{2} \times \frac{15}{16} = \frac{15}{32}$

Ismail Share in profit $= \frac{1}{3} \times \frac{15}{16} = \frac{5}{16}$

Giri Share in profit $= \frac{1}{6} \times \frac{15}{16} = \frac{5}{32}$

New profit sharing ratio is :-

Khan : Ismail : Giri : Ashish

$\frac{15}{32} : \frac{5}{16} : \frac{5}{32} : \frac{1}{16}$

$= 15 : 10 : 5 : 2$

$= 15 : 10 : 5 : 2$

Good will Shared

Khan Share in Good will $= 3000 \times \frac{1}{2}$
$= 1500$

Ismail Share in Good will $= 3000 \times \frac{1}{3}$
$= 1000$

Giri Share in Good will $= 3000 \times \frac{1}{6}$
$= 500$

old partners Capital should be maintained as follows :-

Khan New Capital Rs $8000 \div 2 \times 15$ Share
$= 60,000$

Ismail's New Capital Rs 8000 ÷ 2 × 10 Share
= 40,000

Giri New Capital Rs 8000 ÷ 2 × 5 Share
= 20,000

LEDGER ON Admission of Ashish

Revaluation A/c Cr.

Particulars	Amount	Particulars	Amount
To Machinery A/c (7000 × 12·1·)	840	By Land & Buildings (62000 − 48000)	14000
To R.B.D (25,200 × 5·1·)	1260		
To Stock (29000 × 10·1·)	2900		
To Share of Revaluation profit			
Khan (1/2) 4500			
Ismail (1/3) 3000			
Giri (1/6) 1500	9000		
	14000		14000

Good will A/c Cr.

To Khan's Capital A/c	1500	By Bank A/c	3000
To Ismail's Capital A/c	1000		
To Giri's Capital A/c	500		
	3000		3000

Khan's Capital A/c Cr.

To Bank A/c (Balance paid)	3000	By Balance b/d	57000
To Balance c/d	60,000	By Revaluation A/c	4500
		By Good will A/c	1500
	63000		63000
		By Balance b/d	60,000

DV

Ismail Capital A/c

Particulars	Amount	Particulars	Amount
To Balance c/d	40,000	By Balance b/d	32000
		By Revaluation A/c	3000
		By Good will A/c	1000
		By Bank A/c (Balance Received)	4000
	40,000		40,000
		By Balance b/d	40,000

DV

Giri's Capital A/c

To Balance c/d	20,000	By Balance b/d	16000
		By Revaluation A/c	1500
		By Good will A/c	500
		By Bank A/c (Balance Received)	2000
	20,000		20,000
		By Balance b/d	20,000

DV

Ashishi Capital A/c

To Balance c/d	8000	By Bank A/c	8000
		By Balance b/d	8000

DV

Bank A/c

To Balance b/d	800	By Balance b/d	800
To Good will A/c	3000	By Khan's Capital A/c	3000
To Ismail's Capital A/c	4000	By Balance c/d	14800
To Giri's Capital A/c	2000		
To Ashishi Capital A/c	8000		
	17800		17800
To Balance b/d	14800		

Opening Balance Sheet of M/s Khan, Ismail, Giri, Ashish

Liabilities	Amount	Assets	Amount
Capitals		Land & Buildings	62000
Khan	60,000	Machinery 7000	
Ismail	40,000	less Dep 840	6160
Giri	20,000	Sundry Debtors 25200	
Ashish	8000	less R.B.D 1260	23940
Creditors	5000	Stock 29000	
		less Dep 2900	26100
		Cash at Bank	14800
	1,33,000		133,000

Working Notes

Valuation of Goodwill

Goodwill = Previous four years Average profits × 3

= 9000 + 12000 + 14000 + 13000 / 4 × 3

= ₹36000 (a) When Goodwill is Raised & written off

When Goodwill is Raised & Shared Between old partners in their old profit sharing ratio 3:2:-

A's Share in Goodwill = ₹36000 × 3/5 = 21600

B's Share in Goodwill = ₹36000 × 2/5 = ₹14400

~~When Good will is brought in by the new partners~~

When Good will is written Off by All the partners in New profit Sharing Ratio 7:5:4:-

A' Writes Off his Good will Rs $36000 \times \frac{7}{16} = 15750$

B Writes Off Good will Rs $36000 \times \frac{5}{16} = 11250$

C' Writes Off Good will Rs $36000 \times \frac{4}{16} = 9000$

(b) When Good will brought in by New Partner & the old partner Share Such Good will in Their Sacrifing Ratio & withdraw from the Business:-

C brings in Cash his Share of Goodwill

$36000 \times \frac{4}{16} = Rs 9000$

~~A's old~~ A's Share is $\frac{3}{5}$ ~~A's~~

A's New Share is $\frac{7}{16}$

∴ A's Sacrifice = $\frac{3}{5} - \frac{7}{16} = \frac{48-35}{80} = \frac{13}{80}$

∴ B's Sacrifice = $\frac{2}{5} - \frac{5}{16} = \frac{32-25}{80}$

$= \frac{7}{80}$

5 | 5, 16
4 | 1, 16
4 | 4
1

Sacrifing Ratio

A : B

$\frac{13}{80} : \frac{7}{80} = 13 : 7 \longrightarrow 20$

A's Share in Good will = $9000 \times \frac{13}{20} = 5850$

B's Share in Good will = $9000 \times \frac{7}{20} = 3150$

Journal Entries on Admission of C

Date	Particulars	L/F	Debit Amount	Credit Amount
	Good will A/c ---- Dr		36000	
	To A's Capital A/c			21600
	To B's Capital A/c			14400
	(Being Good will is Raised & Shared Between Old partners in their old profit sharing Ratio 3:2)			
	Bank A/c ---- Dr		20,000	
	To C's Capital A/c			20000
	(Being Cash Brought in by C Towards his Capital)			
	A's Capital A/c ---- Dr		15750	
	B's Capital A/c ---- Dr		11250	
	C's Capital A/c ---- Dr		9000	
	To Good will A/c			36000
	(Being Good will is written off by All the partners in their New profit sharing Ratio 9:5:4)			

Opening Balance Sheet of M/s A, B & C

Liabilities	Amount	Assets	Amount
Capitals		Sundry Assets	55,000
A (25000 + 21600 - 15750)	30,850	Canal Bank (10,000 + 20,000)	30,000
B (20,000 + 14400 - 11250)	23,150		
C (20,000 + 20000 - 9000)	31000		
Sundry creditors	20,000		
	85000		85000

Dr | Good will A/c | Cr

Particulars	Amount	Particulars	Amount
To A's Capital A/c	21600	By Balance b/d	36000
To B's Capital A/c	14400		
	36000		36000

Dr | A's Capital A/c | Cr

Particulars	Amount	Particulars	Amount
To Good will A/c	15750	By Balance b/d	25000
To Balance c/d	30,850	By Good will A/c	21600
	46,600		46,600
		By Balance b/d	30850

Dr | B's Capital A/c | Cr

Particulars	Amount	Particulars	Amount
To Good will A/c	11250	By Balance b/d	20,000
To Balance c/d	23150	By Goodwill A/c	14400
	34,400		34,400
		By Balance b/d	23150

Dr | C's Capital A/c | Cr

Particulars	Amount	Particulars	Amount
To Good will A/c	9000	By Bank A/c	20,000
To Balance c/d	11000		
	20000		20,000
		By Balance b/d	11000

Dr | Bank A/c | Cr

Particulars	Amount	Particulars	Amount
To Balance b/d	10,000	By Balance c/d	30,000
To C's Capital A/c	20,000		
	30,000		30,000
To Balance b/d	30,000		

Journal Entries on Admission of C

Date	Particulars	LF	Debit Amount	Credit Amount
	Good will A/c ------ Dr		9000	
	To A's Capital A/c			5850
	To B's Capital A/c			3150
	(Being Cash To be brought in by New partner for Goodwill is shared between the old partner in their Sacrifying Ratio 13:7)			
	Bank A/c ------ Dr		29000	
	To C's Capital A/c			20,000
	To Good will A/c			9000
	(Being Cash Brought in by C Towards his Capital & his share of Good will)			
	A's Capital A/c ------ Dr		5850	
	B's Capital A/c ------ Dr		3150	
	To Bank A/c			9000
	(Being Good will is withdrawn by old partners A & B from the Business)			

Opening Balance Sheet of M/s A, B & C

Liabilities	Amount	Assets	Amount
Capitals		Sundry Assets	55000
A (25000+5850-5850)	25000	Cash at Bank	
B (20,000+3150-3150)	20,000	(10,000+29000-9000)	30,000
C	20,000		
Creditors	20,000		
	85,000		85000

Dr **Goodwill A/c** Cr

Particulars	Amount	Particulars	Amount
To A's Capital A/c	5850	By Bank A/c	9000
To B's Capital A/c	3150		
	9000		9000

Dr **A's Capital A/c** Cr

To Bank A/c	5850	By Balance b/d	25000
To Balance c/d	25000	By Goodwill A/c	5850
	30,850		30850
		By Balance b/d	25000

Dr **B's Capital A/c** Cr

To Bank A/c	3150	By Balance b/d	20,000
To Balance c/d	20,000	By Goodwill A/c	3150
	23,150		23,150
		By Balance b/d	20,000

Dr **C's Capital A/c** Cr

To Balance c/d	20,000	By Bank A/c	20,000
		By Balance b/d	20,000

Dr **Bank A/c** Cr

To Balance b/d	10,000	By A's Capital A/c	5850
To C's Capital A/c	20,000	By B's Capital A/c	3150
To Goodwill A/c	9000	By Balance c/d	30,000
	39000		39000
To Balance b/d	30,000		

Q.39

Working Notes

Valuation of New profit Sharing Ratio

New partners C's Share = $\frac{1}{8}$

Remaining profit = $\frac{7}{8}$

C's ∴ C's Share in the Remaing profit

$= \frac{7}{8} \times \frac{5}{8} = \frac{35}{64}$

∴ D's Share in the Remaing profit

$= \frac{7}{8} \times \frac{3}{8} = \frac{21}{64}$

∴ New profit Sharing Ratio

$\frac{35}{64} : \frac{21}{64} : \frac{1}{8}$

$= \frac{35 : 21 : 8}{64}$

$= 35 : 21 : 8$

Reserve Fund Shared

C's Share in Reserve Fund = Rs 20000 × $\frac{5}{8}$

= Rs 12,500

D's Share in Reserve Fund = 20000 × $\frac{3}{8}$

= 7500

Valuation of Good will

Good will = 3 years Average profit × 1

$= \frac{12000 + 16000 + 20000}{3} \times 1$

= Rs 16,000

C's Share in Goodwill = Rs 16000 × 5/8
= Rs 10,000

D's Share in Goodwill = Rs 16000 × 3/8
= Rs 6000

Journal Entries on Admission of E

Date	Particulars	L.F	Debit Amount	Credit Amount
	Plant A/c ------ Dr		10,000	
	To Revaluation A/c			10,000
	(Being Plant is Appreciated by 20%)			
	Revaluation A/c ---- Dr		4600	
	To R.B.D A/c			1000
	To Stock A/c			2000
	To Investment A/c			1600
	(Being R.B.D is created on Debtors at 5%, Stock & Investments Depreciated by 20%, & 7600 - 6000 = 1600 Respectively)			
	Revaluation A/c ---- Dr		5400	
	To C's Capital A/c			3375
	To D's Capital A/c			2025
	(Being profit on Revaluation ~~Transferred~~ To is Shared between old partners in their old profit Sharing Ratio 5/8, 3/8)			
	Reserve Fund A/c --- Dr		20000	
	To C's Capital A/c			12500
	To D's Capital A/c			7500
	(Being Reserve Fund Shared Between old partners in their old profit Sharing Ratio 5/8, 3/8)			

Goodwill A/c ---- Dr		60000	
To C's Capital A/c			10,000
To D's Capital A/c			6000
(Being Goodwill written off, shared between old partners in their old profit sharing Ratio 5/8, 3/8)			

Working Notes

After Adjustment

C's Capital = 40,000 + 3375 + 12500 + 10,000 = 65875

D's Capital = 20,000 + 2025 + 7500 + 6000 = 35525

∴ C & D's combined Capital = 65875 + 35525 = 1,01,400

∴ E's Capital as per Agreement = 1,01,400 × 1/8 = 12675

Bank A/c ---- Dr		12675	
To E's Capital A/c			12675
(Being Cash brought by E New partner for his Capital)			

Opening Balance Sheet of M/s C, D & E

Liabilities	Amount	Assets		Amount
Creditors	10,000	Cash at Bank (2,400 + 12675)		15075
Capitals				
C	65875	Debtors	20,000	
D	35525	less R.B.D	1000	19000
E	12675	Stock	10,000	
		less Dep	2000	8000
		Investments		6000
		Plants	50,000	
		Add Appreciation	10,000	60,000
		Good will		16000
	1,24,075			1,24,075

17/E-39

Working Notes

General Reserve Shared

A's Share in General Reserve = 16000 × 3/5
= 9600

B's Share in General Reserve = 16000 × 2/5
= 6400

Good will is 10,000 brought in by C. Good will is Transfered to A's Capital A/c

After Adjustment

A's Capital = 10,000 + 9600 + 9600 + 10,000
= 39200

B's Capital = 8000 + 6400 + 6400 = 20800

A & B's combined Capital = 39200 + 20800
= 60,000

C's Capital As per Agreement = 60,000 × 20% = 12000

Revaluation A/c

Particulars	Amount	Particulars	Amount
To Liability to workmen	2000	By Land & Buildings (18000 - 8000)	10,000
To profit on Revaluation:		By Stock on Goods (16000 - 12000)	4000
A's Capital A/c (3/5) 9600		By Workmen Compensation Fund	4000
B's Capital A/c (2/5) 6400			
	16000		
	18000		18000

General Reserves A/c

To A's Capital A/c	9600	By Balance b/d	16000
To B's Capital A/c	6400		
	16000		16000

Good will A/c

To A's Capital A/c	10,000	By Bank A/c	10,000

A's Capital A/c

To Balance c/d	39200	By Balance b/d	10,000
		By profit on Revaluation	9600
		By General Reserves A/c	9600
		By Good will A/c	10,000
	39200		39200
		By Balance b/d	39200

B's Capital A/c

To Balance c/d	20800	By Balance b/d	8000
		By profit on Revaluation	6400
		By General Reserves A/c	6400
	20800		20800
		By Balance b/d	20800

NV

C's Capital A/c

Particulars	Amount	Particulars	Amount
To Balance c/d	12000	By Bank A/c	12000
		By Balance b/d	12000

NV

Bank A/c

To Balance b/d	9000	By Balance c/d	31000
To Good will A/c	10,000		
To C's Capital A/c	12000		
	31000		31000
To Balance b/d	31000		

Opening Balance Sheet of M/s A, B & C

Liabilites	Amount	Assets	Amount
Capitals		Debtors	11000
A	39200	Land & Buildings	18000
B	20800	Plant & Machinery	10,000
C	12000	Stock of Goods	16000
Creditors	12000	Cash at Bank	31000
Liability To Workmen	2000		
	86000		86000

Journal Entries on Admission of C :

Date	Particulars	L/F	Debit Amount	Credit Amount
	Land & Buildings A/c ---- Dr		10,000	
	Stock of Goods A/c ---- Dr		4000	
	Workmen compensation A/c ---- Dr		4000	
	To Revaluation A/c			18000
	(Being Land & Buildings are Appreciated by 10,000, Stock of Goods is Appreciated by 4000 & Workmen Compensation Fund Transfered To Revaluation A/c)			
	Revaluation A/c ---- Dr		2000	
	To Liability To Workmen A/c			2000
	(Being Liability To Workmen charged To Revaluation A/c)			
	Revaluation A/c ---- Dr		16000	
	To A's Capital A/c			9600
	To B's Capital A/c			6400
	(Being profit on Revaluation is shared Between old partners in their old profit Sharing Ratio 3:2)			
	General Reserves A/c ---- Dr		16000	
	To A's Capital A/c			9600
	To B's Capital A/c			6400
	(Being General Reserves is shared Between old partners in their old profit Sharing Ratio 3:2)			
	Good will A/c ---- Dr		10,000	
	To A's Capital A/c			10,000
	(Being Good will is to be brought in by New partner 'C' Transfered To A's Capital A/c)			

Bank A/c ---------- Dr		22000	
To C's Capital A/c			12000
To Goodwill A/c			10,000
(Being Cash brought in by C towards his Capital & his share of Goodwill)			

18/E-40

Working Notes

New partner Sheetal's share in profit $\frac{2}{5}$

Remaining profit = $\frac{3}{5}$

Deepal sharing the remaining profit = $\frac{3}{5} \times \frac{2}{3}$

$= \frac{2}{5}$

Sheetal share in the remaing profit $\frac{3}{5} \times \frac{1}{3}$

$= \frac{1}{5}$

∴ New profit sharing Ratio

Deepal : Sheetal : Chetal

$\frac{2}{5} : \frac{1}{5} : \frac{2}{5}$

$= \frac{2:1:2}{5}$

$= 2:1:2$

General Reserve shared

Deepal's share in General Reserve = $2100 \times \frac{2}{5}$

$= 1400$

Sheetal's share in General Reserve =

$2100 \times \frac{1}{3} = 700$

Goodwill Shared

For 2 shares of total Goodwill = ₹2400

∴ Total Goodwill $= \frac{2400}{2} \times 5 = 6000$

∴ The Appreciation of Goodwill = 6000 − 996 = ₹5004

Deepali's share in Appreciation of Goodwill = $5004 \times \frac{2}{3} = ₹3336$

Sheetal's share in Appreciation of Goodwill = $5004 \times \frac{1}{3} = ₹1668$

Revaluation A/c

Dr

Particulars	Amount	Particulars	Amount
To Investment provision	100	By Accrued Incomes A/c	100
To Liability To workmen for compensation	150	By Workmen Compensation Fund	1,200
To R.B.D A/c (600 − 500)	100	By Axis A/c (Bad debts Recovered)	350
To Hire Vendor's A/c	100	By Machinery A/c	3000
To Deepali's Capital A/c (⅔) 4400		By Life policy (Surrender value)	2400
To Sheetal's Capital A/c (⅓) 2200	6600		
	7050		7050

General Reserves A/c

Dr

Particulars	Amount	Particulars	Amount
To Deepali's Capital A/c	1400	By Balance b/d	2100
To Sheetal's Capital A/c	700		
	2100		2100

DV

Good will A/c

Particulars	Amount	Particulars	Amount
To Balance b/d	996	By Balance c/d	6000
To Deepali Capital A/c	3336		
To Sheetali Capital A/c	1668		
	6000		6000
To Balance b/d	6000		

DV

Deepali Capital A/c

To Balance c/d	15136	By Balance b/d	6000
		By Revaluation A/c	4400
		By General Reserve A/c	1400
		By Good will A/c	3336
	15136		15136
		By Balance b/d	15136

DV

Sheetali Capital A/c

To Balance c/d	9468	By Balance b/d	4900
		By Revaluation A/c	2200
		By General Reserve A/c	700
		By Good will A/c	1668
	9468		9468
		By Balance b/d	9468

DV

Chetali Capital A/c

To Balance c/d	10,000	By Bank A/c	10,000
		By Balance b/d	10,000

DV

Bank A/c

To Balance b/d	1,004	By Balance c/d	11004
To Chetali Capital A/c	10,000		
	11004		11004
To Balance b/d	11004		

Opening Balance Sheet of M/s Deepal, Sheetal & Chetal

Liabilities	Amount	Assets		Amount
Creditors	1400	Bank		11004
Investment provision	500	Bills Receivable		2,500
Liability to workmen for compensation	150	Debtors	4000	
		Add x's A/c	350	
			4350	
Outstanding Vendor's A/c	100	Less R.B.D	600	3750
Capitals		Stock		3000
Deepal	15136	Investments		5000
Sheetal	9468	Machinery		3000
Chetal	10,000	Joint life policy		2400
		Accrued Incomes		100
		Good will		6000
	36754			36754

Journal Entries On Admission of Chetan

date	Particulars	LF	Debit amount	Credit amount
	Revaluation A/c ---- Dr		450	
	To Investment provision			100
	To liability To workmen			150
	To R.B.D			100
	To Hire Vendor A/c			100
	(Being Investment provision ~~is raised by~~ Raised 100 & R.B.D ~~is created on~~ Raised on Debtors & New Liabilities created To Workmen & Hire Vendor ~~created~~ charging To Revaluation A/c)			
	Accrued Incomes A/c ---- Dr		100	
	Workmen compensation Fund A/c -- Dr		1200	
	x's A/c ------ Dr		350	
	Machinery A/c ------ Dr		3000	
	Life policy A/c ---- Dr		2400	
	To Revaluation A/c			7050
	(Being Accrued Income Not Recorded Received, workmen compensation Fund Shared, ~~x's~~ bad debts Recovered, & Machinery Purchased & Life policy Received in Surrender Value } are Incomes Taking To Revaluation A/c)			
	Revaluation A/c ---- Dr		6600	
	To Deepali Capital A/c			4400
	To Sheelali Capital A/c			2200
	(Being profit on Revaluation Shared Between old partners in their old profit Sharing Ratio 2:1)			
	General Reserves A/c --- Dr		2100	
	To Deepali Capital A/c			1400
	To Sheelali Capital A/c			700
	(Being General Reserve Shared Between old partners in their old profit sharing Ratio 2:1)			

	Good will A/c ---- Dr		5004	
	To Deepali Capital A/c			3336
	To Sheetals Capital A/c			1668
	(Being Appreciation in Good will ~~Raised~~ is shared by old partners in their old profit sharing Ratio 2:1)			
	Bank A/c ------ Dr		10,000	
	To Sheetals Capital A/c			10,000
	(Being Cash Brought in by Sheetal towards his Capital)			

E-41

Working Notes

New partner J's share profit - $\frac{1}{5}$

Remaining profit = $\frac{4}{5}$

G's share in Remaining profit = $\frac{2}{5} \times \frac{1}{2}$

= $\frac{2}{5}$

S's share in Remaining profit = $\frac{2}{5} \times \frac{1}{2}$

New profit sharing Ratio = $\frac{2}{5}$

G : S : J

$\frac{2}{5} : \frac{2}{5} : \frac{1}{5}$

$\frac{2:2:1}{5}$

= 2 : 2 : 1

Dr **Revaluation A/c**

Particulars	Amount	Particulars	Amount
To Stock A/c	800	By Plant & Machinery	300
To Fixture & Fittings	1700	By G's capital A/c	1100
		By S's Capital A/c	1100
	2500		2500

Dr **G's Capital A/c**

Particulars	Amount	Particulars	Amount
To Revaluation A/c	1100	By Balance b/d	20,000
To Balance c/d	18900		
	20,000		20,000
		By Balance b/d	18900

Dr **S's Capital A/c**

Particulars	Amount	Particulars	Amount
To Revaluation A/c	1100	By Balance b/d	15000
To Balance c/d	18900	By Bank A/c (Difference brought in Cash)	4000
	20,000		20,000
		By Balance b/d	18900

Dr **T's Capital A/c**

Particulars	Amount	Particulars	Amount
To R.B.D A/c	240	By Debtors A/c	2400
To Creditors A/c	500	By Goodwill A/c	1500
To Balance c/d	5000	By Bank A/c (Balance Brought in)	1840
	5740		5740
		By Balance b/d	5000

Bank A/c

Amount	Particulars	Amount	Particulars	Amount
300	To Balance b/d	4900	By Balance c/d	10740
	To T's Capital A/c	1840		
2200	To S's Capital A/c	4000		
2500		10740		10740
	To Balance b/d	10740		

Opening Balance Sheet of M/s G, S & T

Liabilities	Amount	Assets	Amount
Partner's Capitals		Cash in Hand	152
0,000 G	18900	Cash at Bank	10740
20000 S	18900	Bills Receivable	1888
8900 T	5000	Debtors 21000	
Sundry Creditors 15000		Add T's Debtors 2400	
Add T's creditors 500	15500	23400	
6000 Bills payable	4000	less R.B.D 240	23160
		Stock 4800	
4000		less Dep 800	4000
20,000		Plant & Machinery 7000	
18900		Add Appreciation 300	7300
		Freehold premises	13560
		Good will	1500
2400			
1500			
1840			
5740			
5000			

Notes :—

Fraction are Two Types They are

i, Simple Fraction
ii, Decimal Fraction

Simple Fraction :- There is a Numerator & Dinomination

Decimal Fraction :- For Example 0.45 Rs 45 paise. 0.45 or .45 is a Fraction, Decimal Fraction.

Simple Fraction are Three Fraction

i, proper Fraction
ii, improper Fraction
iii, Mixed Fraction.

i, proper Fraction :- Numerater is less & Demonator is Large

ii, improper Fraction :- Whole Number

iii, Mixed Fraction :- For Example

4 1/3

Mixed Fraction can be changed into improper Fraction

&

improper Fraction can be changed into Mixed Fraction

mulae

	Converted Unit	Multiplication Factor
	VOLUME	
eters	Cubic Inches	16.387
s	Cubic Feet	35.3144
	Cubic Yards	1.3081

$= 8 \frac{33\frac{1}{3}}{133\frac{1}{3}} = \frac{1}{4}$

$(33\frac{1}{3} \cdot 10)$

$3\frac{1}{3} \cdot x1 = 33\frac{1}{3}$
$3\frac{1}{3} \times 2 = 66\frac{2}{3}$
$3\frac{1}{3} \times 3 = 100$
$3\frac{1}{3} \times 4 = 133\frac{1}{3}$
$3\frac{1}{3} \times 5 = 166\frac{1}{3}$
$3\frac{1}{3} \times 6 = 200$
$3\frac{1}{3} \times 7 = 233\frac{1}{3}$
$3\frac{1}{3} \times 8 = 266\frac{2}{3}$
$3\frac{1}{3} \times 9 = 300$
$3\frac{1}{3} \times 10 = 333\frac{1}{3}$